

03 Companies and petroleum resource rent tax

CHAPTER 03

OVERVIEW

For the 2009–10 income year:

- 777,207 companies lodged returns, a 1.9% increase from 2008–09
- companies reported total income of \$2,212 billion, a 2.6% decrease from 2008–09
- total company expenses were \$2,027 billion, a 5.4% decrease from 2008–09
- companies were liable for \$50.4 billion in net tax, a 10.6% decrease from 2008–09.

For the 2010–11 financial year, petroleum resource rent tax (PRRT) totalled \$1.0 billion.

INTRODUCTION

This chapter provides information on companies, as reported on their income tax returns. For income tax purposes, a company is a body corporate or any unincorporated body of persons, but does not include a partnership and a non-entity joint venture. Limited partnerships, corporate unit trusts and public trading trusts are also treated as companies.

Companies pay income tax in instalments (pay as you go instalments or PAYGI), some of which are paid during the income year in which the income is derived, or in a single lump sum paid during the subsequent year. For the majority of companies, the income year is the same as the financial year. However, some companies use a substituted accounting period.

Companies pay a flat rate of tax, without a tax-free threshold. From the 2001–02 income year, the tax rate for public and private companies is 30%. Other companies such as retirement savings account providers, pooled development funds, credit unions, non-profit companies and life insurance and friendly society companies have various other tax rates.

NEW FEATURES AND INFORMATION

Statistics for the 2009–10 income year reported in this chapter may have been affected by:

- increase in the expenditure cap from \$1 million to \$2 million on eligible research and development claimable under the research and development tax offset
- changes to the taxation of financial arrangements (TOFA).

The following new labels were added to the 2010 company tax return:

- Taxation of financial arrangements (TOFA) (item 5M)
- Income from financial arrangements (TOFA) (item 6K)
- Expenses from financial arrangements (TOFA) (item 6L)
- TOFA income from financial arrangements not included in item 6 (item 7E)
- TOFA deductions from financial arrangements not included in item 6 (item 7W)
- TOFA transitional balancing adjustment (item 8R)
- TOFA gains from unrealised movements in the value of financial arrangements (item 8S).

COMPANY RETURNS

Generally, every resident company that derives assessable income from any source, and every non-resident company that derives assessable income from Australian sources, are required to lodge a company tax return. A resident non-profit company is not required to lodge a return if its taxable income is less than \$416.

For the 2009–10 income year, a total of 777,207 companies lodged returns. This represents a 1.9% increase on the number lodging in 2008–09.

Table 3.1 Companies¹, by taxable status, 2008–09 and 2009–10 income years

Taxable status	2008–09 ²		2009–10 ²	
	No.	%	No.	%
Non-taxable companies	452,137	59.3	475,371	61.2
Taxable companies ³	310,305	40.7	301,836	38.8
Total	762,442	100.0	777,207	100.0

1 The term 'companies' above may represent a consolidated group of companies for income tax purposes, rather than a single entity.

2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 Taxable companies are defined as companies with net tax of more than \$0.

In the 2009–10 income year, 13.6% of total companies operated in the professional, scientific and technical services industry, followed by 13.4% in the rental, hiring and real estate services industry. The financial and insurance services industry recorded the biggest fall with 2,512 fewer companies in 2009–10.

Table 3.2 Companies¹, by industry, 2008–09 and 2009–10 income years

Industry ²	2008–09 ³		2009–10 ³	
	No.	%	No.	%
Agriculture, forestry and fishing	16,849	2.2	16,675	2.1
Mining	4,179	0.5	4,285	0.6
Manufacturing	38,295	5.0	38,019	4.9
Electricity, gas, water and waste services	2,145	0.3	2,213	0.3
Construction	93,772	12.3	96,489	12.4
Wholesale trade	39,847	5.2	40,818	5.3
Retail trade	43,299	5.7	44,679	5.7
Accommodation and food services	21,065	2.8	22,189	2.9
Transport, postal and warehousing	33,419	4.4	33,696	4.3
Information media and telecommunications	8,705	1.1	8,928	1.1
Financial and insurance services	93,443	12.3	90,931	11.7
Rental, hiring and real estate services	103,932	13.6	104,305	13.4
Professional, scientific and technical services	102,785	13.5	105,612	13.6
Administrative and support services	24,071	3.2	24,958	3.2
Public administration and safety	3,201	0.4	3,200	0.4
Education and training	7,381	1.0	7,836	1.0
Health care and social assistance	26,794	3.5	27,279	3.5
Arts and recreation services	6,829	0.9	6,921	0.9
Other services	26,084	3.4	26,640	3.4
Other ⁴	66,347	8.7	71,534	9.2
Total⁵	762,442	100.0	777,207	100.0

1 Includes all companies that lodged returns (taxable and non-taxable).

2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

3 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

4 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

5 Totals may differ from the sum of the components due to rounding.

Box 3.1 Company size, by total income

For the purposes of this chapter:

Total income is the amount a company declared under Income, item 6S, on page 3 of the 2010 company tax return.

Loss/nil companies have a total income equal to or less than \$0.

Micro companies have a total income equal to or more than \$1 but less than \$2 million.

Small companies have a total income equal to or more than \$2 million but less than \$10 million.

Medium companies have a total income equal to or more than \$10 million but less than \$100 million.

Large companies have a total income equal to or more than \$100 million but less than \$250 million.

Very large companies have a total income equal to or more than \$250 million.

In terms of company size, 77.3% of companies were micro companies in the 2009–10 income year, while only 0.1% of companies were very large companies. There was a slight increase in the proportion of companies in a loss/nil situation when compared to 2008–09.

Table 3.3 Companies¹, by company size, 2008–09 and 2009–10 income years

Company size	2008–09 ²		2009–10 ²	
	No.	%	No.	%
Loss/nil	103,263	13.5	112,415	14.5
Micro	595,777	78.1	600,431	77.3
Small	48,723	6.4	49,419	6.4
Medium	12,676	1.7	12,916	1.7
Large	1,078	0.1	1,099	0.1
Very large	925	0.1	927	0.1
Total³	762,442	100.0	777,207	100.0

1 Includes all companies that lodged returns (taxable and non-taxable).

2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 Totals may differ from the sum of the components due to rounding.

COMPANY INCOME

For the 2009–10 income year, companies reported total income of \$2,212 billion, a decrease of 2.6% from 2008–09. The mining industry, recorded the largest decrease in income with a \$49.6 billion or 26.2% fall.

Table 3.4 Company income, by industry, 2008–09 and 2009–10 income years

Industry ¹	2008–09 ²		2009–10 ²	
	\$m	%	\$m	%
Agriculture, forestry and fishing	21,369	0.9	23,559	1.1
Mining	189,263	8.3	139,593	6.3
Manufacturing	272,140	12.0	265,687	12.0
Electricity, gas, water and waste services	37,335	1.6	35,592	1.6
Construction	138,894	6.1	143,343	6.5
Wholesale trade	384,654	16.9	355,354	16.1
Retail trade	222,131	9.8	230,923	10.4
Accommodation and food services	30,581	1.3	32,739	1.5
Transport, postal and warehousing	91,025	4.0	88,098	4.0
Information media and telecommunications	67,666	3.0	69,284	3.1
Financial and insurance services	512,250	22.5	512,092	23.2
Rental, hiring and real estate services	41,849	1.8	41,869	1.9
Professional, scientific and technical services	117,663	5.2	119,667	5.4
Administrative and support services	41,057	1.8	41,943	1.9
Public administration and safety	4,182	0.2	4,377	0.2
Education and training	4,464	0.2	4,438	0.2
Health care and social assistance	25,450	1.1	25,636	1.2
Arts and recreation services	12,953	0.6	13,007	0.6
Other services	21,454	0.9	22,151	1.0
Other ³	35,797	1.6	42,664	1.9
Total⁴	2,272,179	100.0	2,212,017	100.0

1 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

4 Totals may differ from the sum of the components due to rounding.

For the 2009–10 income year, 72.8% or \$1,610.8 billion of company income was derived from sales of goods and services. Other gross income recorded the largest fall, decreasing by \$25.3 billion to 13.2% of total company income.

Table 3.5 Company income, by source, 2008–09 and 2009–10 income years

Source of income	No.	2008–09 ¹ \$m	No.	2009–10 ¹ \$m
Sales of goods and services	276,441	1,629,948	287,851	1,610,805
Other gross income	321,640	316,715	322,775	291,429
Gross interest	400,177	202,534	395,915	183,391
Gross rents/leasing/hiring	64,149	33,573	65,098	36,192
Unrealised gains on revaluation of assets to fair value	1,287	18,990	1,750	28,213
Gross distribution from trusts	67,737	28,678	61,898	27,013
Gross dividends	54,491	32,375	53,304	26,019
Gross distribution from partnerships	10,423	4,742	9,841	4,159
Assessable government industry payments	34,575	2,644	35,580	2,523
Gross payments subject to foreign resident withholding	742	1,192	866	1,149
Fringe benefit employee contributions	67,637	537	73,652	649
Income from financial arrangements (TOFA) ²	n.a.	n.a.	62	258
Gross payments where ABN not quoted	256	149	248	204
Forestry managed investment scheme income	256	101	255	13
Total^{3,4}	661,169	2,272,179	666,609	2,212,017

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 New label added to the 2009–10 tax return.

3 Components do not add to the number of companies as companies may declare more than one type of income.

4 Totals may differ from the sum of the components due to rounding.

COMPANY EXPENSES

For the 2009–10 income year, company expenses totalled \$2,027.6 billion, a decrease of 5.4% from 2008–09. The retail trade industry recorded the largest increase in expenses of \$7.9 billion while the majority of industries experienced a decrease in expenses.

Table 3.6 Company expenses, by industry, 2008–09 and 2009–10 income years

Industry ¹	2008–09 ²		2009–10 ²	
	\$m	%	\$m	%
Agriculture, forestry and fishing	21,151	1.0	23,073	1.1
Mining	144,909	6.8	106,934	5.3
Manufacturing	265,281	12.4	251,183	12.4
Electricity, gas, water and waste services	33,636	1.6	34,570	1.7
Construction	134,362	6.3	135,745	6.7
Wholesale trade	369,913	17.3	335,846	16.6
Retail trade	213,867	10.0	221,772	10.9
Accommodation and food services	30,320	1.4	31,041	1.5
Transport, postal and warehousing	87,966	4.1	84,558	4.2
Information media and telecommunications	64,727	3.0	60,224	3.0
Financial and insurance services	493,228	23.0	454,209	22.4
Rental, hiring and real estate services	39,329	1.8	36,939	1.8
Professional, scientific and technical services	109,654	5.1	113,006	5.6
Administrative and support services	39,597	1.8	40,034	2.0
Public administration and safety	3,910	0.2	4,090	0.2
Education and training	4,072	0.2	4,059	0.2
Health care and social assistance	24,299	1.1	23,557	1.2
Arts and recreation services	12,330	0.6	12,504	0.6
Other services	20,495	1.0	20,900	1.0
Other ³	29,660	1.4	33,314	1.6
Total⁴	2,142,705	100.0	2,027,560	100.0

¹ The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

² Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

³ Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

⁴ Totals may differ from the sum of the components due to rounding.

For the 2009–10 income year, 47.5% of total company expenses was related to the cost of sales. The largest fall in company expenses from any one source, in percentage terms, was from unrealised losses on the revaluation of assets to fair value, with a 51.8% fall for 2009–10.

Table 3.7 Company expenses, by type, 2008–09 and 2009–10 income years

Type of expense	No.	2008–09 ¹ \$m	No.	2009–10 ¹ \$m
Cost of sales	235,788	976,629	242,008	962,144
Other expenses	676,120	666,583	689,357	618,617
Interest expenses within Australia	303,662	153,558	296,876	135,224
Contractor/subcontractor and commission expenses	142,916	78,178	147,989	76,561
Depreciation expenses	438,146	58,542	446,186	61,223
Rent expenses	221,434	35,283	226,952	36,478
Interest expenses overseas	8,685	35,774	9,472	26,569
Employee superannuation	318,757	27,100	320,382	25,502
Unrealised losses on the revaluation of assets to fair value	3,621	47,296	2,396	22,789
Repairs and maintenance	274,655	18,251	276,451	19,083
Motor vehicle expenses	333,406	10,953	340,763	11,038
Bad debts	41,826	10,997	41,325	9,171
Lease expenses within Australia	54,463	8,128	49,690	7,924
Royalty expenses within Australia	5,280	9,908	5,457	7,620
Royalty expenses overseas	1,446	4,845	1,516	5,638
Lease expenses overseas	1,227	584	1,553	998
Expenses from financial arrangements (TOFA) ²	n.a.	n.a.	204	732
Foreign resident withholding expenses	204	95	339	249
Total^{3,4}	685,230	2,142,705	698,114	2,027,560

¹ Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

² New label added to the 2009–10 tax return.

³ Components do not add to the number of companies as companies may claim more than one type of expense.

⁴ Totals may differ from the sum of the components due to rounding.

COMPANY ASSETS AND LIABILITIES

For the 2009–10 income year, companies reported total assets of \$6,220 billion. This represents an increase of \$13.5 billion, or 0.2%, compared to 2008–09. Total company liabilities rose in 2009–10 by \$187 billion, an increase of 3.9%.

Table 3.8 Company assets and liabilities, by company size, 2008–09 and 2009–10 income years

Company size	Total liabilities		2008–09 ¹ Total assets		Total liabilities		2009–10 ¹ Total assets	
	\$m	%	\$m	%	\$m	%	\$m	%
Loss/nil	18,140	0.4	34,452	0.6	23,788	0.5	49,487	0.8
Micro	182,065	3.7	341,187	5.5	178,121	3.5	348,484	5.6
Small	122,752	2.5	215,790	3.5	127,441	2.5	221,439	3.6
Medium	290,978	6.0	450,541	7.3	310,966	6.2	450,996	7.3
Large	200,565	4.1	290,147	4.7	217,602	4.3	312,351	5.0
Very large	4,048,092	83.2	4,874,300	78.5	4,192,117	83.0	4,837,180	77.8
Total²	4,862,592	100.0	6,206,417	100.0	5,050,035	100.0	6,219,936	100.0

1 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

2 Totals may differ from the sum of the components due to rounding.

COMPANY NET TAX

The definition of net tax is used to categorise companies as being taxable or non-taxable. A taxable company is one required to pay income tax in a specific financial year. This is where net tax is more than \$0. Non-taxable companies are defined as those not required to pay income tax for a specific financial year. This includes not-for-profit entities and those with net tax less than or equal to \$0.

Box 3.2 Calculating net tax for companies¹

Company net tax is calculated as:	
	Total income (income – item 6S)
less	Total expenses (expenses – item 6Q)
<i>gives</i>	<i>Total profit or loss (item 6T)</i>
add or subtract	Reconciliation items ²
<i>gives</i>	<i>Taxable or net income (calculation statement – item A)³</i>
apply	Relevant tax rate ⁴
<i>gives</i>	<i>Gross tax (calculation statement – item B)</i>
subtract	Rebates/tax offsets, foreign income tax offset, franking deficit tax offset (calculation statement – items C, D and E)
<i>gives</i>	<i>Tax payable⁵</i>
subtract	Other refundable credits (calculation statement – item Z)
<i>gives</i>	<i>Net tax</i>

1 Items in brackets refer to company tax return labels from the 2010 company income tax return.

2 These are adjustments made for items where the tax treatment differs from the company's accounting treatment.

3 If a company has a taxable income of \$1 or more at 'Taxable income or loss' item 7T, this amount is transferred to 'Taxable or net income', calculation statement item A.

4 The general company rate is 30%, but other rates may apply to certain entities such as life insurance companies and non-profit organisations. This rate only applies to positive taxable income.

5 Located below item G of the calculation statement on the company income tax return form.

NOTE

Net tax does not equate to total tax payable. After the net tax is calculated, PAYG instalments and other credits are applied and any R&D tax offset is credited to give total tax payable or refundable.

Companies were liable for \$50.4 billion in net tax for the 2009–10 income year, a 10.6% decrease from 2008–09. This decrease was led by the mining industry which had a 49.3% fall in net tax. This industry's contribution to total company net tax fell from 23.7% of total net tax in 2008–09 to 13.5% in 2009–10.

For the 2009–10 income year, very large companies accounted for 0.2% of the total number of taxable companies, but were liable for 58.2% of total company net tax. Conversely, the micro company segment represented the largest proportion of total company numbers, accounting for 85.3% of companies, but were liable for only 11.5% of the total net tax payable.

Table 3.9 Company net tax of taxable companies¹, by company size, 2008–09 and 2009–10 income years

Company size	2008–09 ²		2009–10 ²	
	No.	\$m	No.	\$m
Loss/nil	341	74	411	39
Micro	266,829	5,798	257,505	5,798
Small	32,692	4,844	33,260	5,079
Medium	9,022	6,611	9,291	7,275
Large	781	3,096	742	2,853
Very large	640	35,926	627	29,333
Total³	310,305	56,349	301,836	50,377

1 Taxable companies are defined as companies with net tax of more than \$0.

2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 Totals may differ from the sum of the components due to rounding.

In the 2009–10 income year, public companies accounted for \$29.9 billion (59.4%) of total net tax, but represented only 1.1% of the number of taxable companies. Private companies accounted for \$20.2 billion (40.1%) of total net tax, but represented 88.3% of taxable companies.

Table 3.10 Company net tax, by company type, 2009–10 income year¹

Company type	Taxable companies ² No.	Net tax \$m	Average net tax ³ \$
Public company	3,267	29,926	9,160,229
Private company	266,623	20,186	75,711
Public trading trust	99	103	1,042,602
Limited partnership	386	56	144,345
Cooperative	836	84	99,909
Strata title	29,990	16	541
Corporate unit trust	16	1	38,348
Non-profit organisation	613	5	8,014
Pooled development fund ⁴	5	..	1,279
Other ⁴	1	..	74
Total⁵	301,836	50,377	166,902

- 1 Data for the 2009–10 income year includes data processed up to 31 October 2011.
- 2 Taxable companies are defined as companies with net tax of more than \$0.
- 3 Average net tax figures are derived from actual (not rounded) net tax figures and taxable company numbers.
- 4 ‘..’ means rounded to zero but not zero.
- 5 Totals may differ from the sum of the components due to rounding.

In the 2009–10 income year, 1.2% of taxable companies were each liable for \$1 million or more in net tax. In aggregate, these companies were liable for 75.1% of total company net tax.

Table 3.11 Taxable companies, by net tax, 2009–10 income year¹

Net tax	Taxable companies ²		Net tax	
	No.	%	\$m	%
\$1–\$9,999	159,372	52.8	426	0.8
\$10,000–\$49,999	82,412	27.3	1,978	3.9
\$50,000–\$99,999	24,983	8.3	1,766	3.5
\$100,000–\$499,999	27,835	9.2	5,802	11.5
\$500,000–\$999,999	3,711	1.2	2,561	5.1
\$1,000,000 or more	3,523	1.2	37,844	75.1
Total³	301,836	100.0	50,377	100.0

- 1 Data for the 2009–10 income year includes data processed up to 31 October 2011.
- 2 Taxable companies are defined as companies with net tax of more than \$0.
- 3 Totals may differ from the sum of the components due to rounding.

Box 3.3 Non-taxable companies

In general, non-taxable companies are companies with net tax less than or equal to \$0.

They include:

- companies trading at a loss, which can be due to poor trading performance (such as poor sales or cost control performance) or to the nature of a company’s activities
- companies whose trading profits are offset by reconciliation – this is where profits based on a company’s trading activities are offset by adjustments made by reconciliation items such as deductions for the decline in value of depreciating assets, capital works deductions and other deductible expenses. The 2010 company tax return includes a list of possible reconciliation items.

In the 2009–10 income year, the number of non-taxable companies increased by 5.1% from the previous year. Those companies that reported a positive trading profit which was fully offset by reconciliation items, recorded the largest increase in number at 10.7%.

Table 3.12 Non-taxable companies¹, 2008–09 and 2009–10 income years

	No.	2008–09 ² % ³	No.	2009–10 ² % ³
Trading at a loss	264,244	34.7	272,985	35.1
Reported zero trading profit and zero non-trading income	66,177	8.7	70,296	9.0
Reported zero trading profit, with some non-trading income offset by reconciliation items	9,300	1.2	9,242	1.2
Reported positive trading profit which was fully offset by reconciliation items	101,100	13.3	111,928	14.4
Reported a trading profit, but had other credits to offset their tax liability	11,316	1.5	10,920	1.4
Total	452,137	59.3	475,371	61.2

1 Non-taxable companies are defined as companies with net tax less than or equal to \$0.

2 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

3 The percentage is calculated as a percentage of total companies, not a percentage of non-taxable companies.

The mining industry had the highest proportion of non-taxable companies to total companies within its industry at 73.2%. The rental, hiring and real estate services industry had the largest increase in proportion between 2008–09 and 2009–10, rising from 48.8% to 53.4%.

Table 3.13 Non-taxable companies¹, by industry, 2008–09 and 2009–10 income years

Industry ²	2008–09 ³ Percentage of total companies		2009–10 ³ Percentage of total companies	
	Non-taxable No.	%	Non-taxable No.	%
Agriculture, forestry and fishing	11,565	68.6	11,698	70.2
Mining	2,973	71.1	3,138	73.2
Manufacturing	22,740	59.4	23,153	60.9
Electricity, gas, water and waste services	1,305	60.8	1,392	62.9
Construction	57,239	61.0	60,086	62.3
Wholesale trade	23,758	59.6	24,371	59.7
Retail trade	26,821	61.9	28,066	62.8
Accommodation and food services	14,728	69.9	15,607	70.3
Transport, postal and warehousing	21,568	64.5	22,404	66.5
Information media and telecommunications	6,025	69.2	6,305	70.6
Financial and insurance services	52,737	56.4	52,561	57.8
Rental, hiring and real estate services	50,676	48.8	55,668	53.4
Professional, scientific and technical services	62,483	60.8	65,630	62.1
Administrative and support services	14,571	60.5	15,304	61.3
Public administration and safety	1,951	60.9	1,987	62.1
Education and training	4,873	66.0	5,242	66.9
Health care and social assistance	15,535	58.0	15,757	57.8
Arts and recreation services	4,685	68.6	4,902	70.8
Other services	15,944	61.1	16,727	62.8
Other ⁴	39,960	60.2	45,373	63.4
Total	452,137	59.3	475,371	61.2

1 Non-taxable companies are defined as companies with net tax less than or equal to \$0.

2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

3 Data for the 2008–09 and 2009–10 income years includes data processed up to 31 October 2010 and 31 October 2011 respectively.

4 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

PETROLEUM RESOURCE RENT TAX

Petroleum resource rent tax (PRRT) was introduced with effect from 1 July 1986 as a secondary tax on profits from all offshore petroleum projects, except certain North–West Shelf projects and projects in the Joint Petroleum Development Area in the Timor Sea.

Like royalties, PRRT payments are allowable deductions when calculating income tax. The tax is calculated at 40% of 'excess' profit (a tax on economic rent of the petroleum resource), which is the excess of assessable receipts over deductible expenditure and eligible transferred exploration expenditure.

The tax is paid to the ATO quarterly, with the first three instalment payments made in October, January and April respectively. A final payment and annual return are due within 60 days of the end of a year of tax. As the PRRT regime operates under a self assessment system, a final payment is due at lodgment of the annual return and any refund would be processed after lodgment.

In the 2010–11 financial year, PRRT decreased by 16.9% to \$1.0 billion, mainly due to increased development expenditure.

Table 3.14 Petroleum resource rent tax, 2009–10 and 2010–11 financial years

Petroleum resource rent tax (PRRT)	2009–10 No.	2010–11 No.
Number of taxpayers	71	71
	\$m	\$m
Assessable receipts	9,803	12,049
Expenditure – class 2 general ¹	14,165	15,063
Expenditure – class 2 exploration ²	1,625	1,649
Expenditure – other	362	506
<i>Expenditure – total</i>	<i>16,152</i>	<i>17,217</i>
Transferred expenditure – section 45a ³	637	845
Transferred expenditure – section 45b ⁴	458	731
<i>Transferred expenditure – total</i>	<i>1,095</i>	<i>1,576</i>
Taxable profit	3,151	2,618
Carry forward expenditure	10,595	9,362
Total PRRT paid on taxable profit	1,260	1,047

- 1 General project operating expenditure (drilling plant and equipment, pipelines and wage costs) incurred on or after 1 July 1990.
- 2 Project exploration expenditure (exploration and appraisal drilling) incurred on or after 1 July 1990.
- 3 Exploration expenditure incurred on or after 1 July 1990 transferred from other petroleum projects of a taxpayer.
- 4 Exploration expenditure incurred on or after 1 July 1990 transferred from other petroleum projects within a wholly owned group of companies.
- 5 Totals may differ from the sum of the components due to rounding.

SOURCE OF COMPANY AND PRRT STATISTICS

The company statistics in this chapter are sourced from 2009 and 2010 company income tax returns processed by 31 October 2010 and 31 October 2011 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise caution when comparing the statistics for the current year and previous years.

The PRRT statistics were sourced from PRRT instalment statements and PRRT returns for the 2010 and 2011 financial years. These statements were processed by 31 October 2010 and 31 October 2011 respectively.

Statistics in the detailed tables have been updated for the 1989–90 to 2009–10 income years to include returns processed by 31 October 2011. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

A copy of the company return form is in the appendix. You can view or download it in PDF format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at www.ato.gov.au

COMPANY AND PRRT CHAPTER TABLES

The company and PRRT chapter tables are now on the attached CD-ROM and included in the online version of this publication on our website. You can now view or download all the chapter tables in Excel.

LIST OF COMPANY AND PRRT DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on our website. You can view or download all the detailed tables in PDF or Excel format.

To find out whether a particular item is included in a detailed table, refer to the company detailed table index included on the attached CD-ROM and in the online version of this publication. The index lists the different items shown in the detailed tables and specifies which table they appear in.

Table 1 Selected items, by net tax and company type, 2009–10 income year

This table shows the number of records and amounts for selected items such as total income, taxable income, total credits/rebates, total refundable credits, net tax and net capital gains for public, private, other and total companies, broken down by net tax groupings.

Table 2 Selected items, by taxable income, taxable status, residential status and company type, 2009–10 income year

This table shows the number of records and amounts for items from the company tax return for taxable and non-taxable companies that are classified by different types (resident, non-resident, public, private and other), broken down by taxable income groupings.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on pages 2 and 3 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 3 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 4 of the company return.
- **Part D: Financial and other information items, excluding non-membership period returns** – contains labels from item 8 ‘Financial and other information’ on pages 5 and 6 of the company return.
- **Part E: Calculation statement items** – contains labels from item 13 ‘Losses information’ on page 6, the tax offset label item 20 ‘Landcare and water facility offset’ on page 7, and the ‘Calculation statement’ on page 8 of the company return.

❗ In order to meet privacy regulations, statistics for some items may not be included in these tables.

Table 3 Number of companies and net tax, by balance date, 2009–10 income year

This table shows the number of companies and taxable companies that used an income year similar to the Australian financial year (June balancers), and companies and taxable companies that used a substituted accounting period. The net tax of these companies is also shown.

Table 4 Selected items, by fine industry, 2009–10 income year

This table shows the number of records and amounts for items from the company tax return for companies classified by fine industry groupings (determined by the main source of income) based on the ANZSIC 2006 Australian Business Register codes.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on pages 2 and 3 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 3 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 4 of the company return.
- **Part D: Financial and other information items, excluding non-membership period returns** – contains labels from item 8 ‘Financial and other information’ on pages 5 and 6 of the company return.
- **Part E: Calculation statement items** – contains labels from item 13 ‘Losses information’ on page 6, the tax offset label item 20 ‘Landcare and water facility offset’ on page 7, and the ‘Calculation statement’ on page 8 of the company return.

❗ In order to meet privacy regulations, statistics for some items are not included in these tables. Statistics on items not included in these tables are reported in Table 9 (‘Other selected items, by broad industry’) and Table 10 (‘Selected financial and other information, by company size, for non-membership period returns’).

Table 5 Selected items and financial ratios for companies, by company size and broad industry, 2009–10 income year

This table reports amounts for selected items from the company tax return and financial ratios calculated from these items by company size. The financial ratios in this table include return on assets, net profit margin, gearing, interest cover and tax to profit ratios. This table also includes selected items from non-membership period returns.

- **Part A: Micro companies** – includes amounts for selected items and ratios calculated for companies that are:
 - taxable and profitable
 - taxable and non-profitable
 - non-taxable and profitable
 - non-taxable and non-profitable.
- **Part B: Small companies** – includes amounts for selected items and ratios calculated for companies that are:
 - taxable and profitable
 - taxable and non-profitable
 - non-taxable and profitable
 - non-taxable and non-profitable.
- **Part C: Medium to large companies** – includes amounts for selected items and ratios calculated for companies that are:
 - taxable and profitable
 - taxable and non-profitable
 - non-taxable and profitable
 - non-taxable and non-profitable.

Table 6 Selected items, 1979–80 to 2009–10 income years

This table shows selected items from the company tax return for income years 1979–80 to 2009–10. The number of records and amounts for most items are shown.

Table 7 Selected items, by total income, taxable status, residential status and company type, 2009–10 income year

This table presents data (number of records and amounts) on items from the company tax return for taxable and non-taxable companies, classified by different types (resident, non-resident, public, private and other) and broken down by total income groupings.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on pages 2 and 3 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 3 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 4 of the company return.
- **Part D: Financial and other information items, excluding non-membership period returns** – contains labels from item 8 ‘Financial and other information’ on pages 5 and 6 of the company return.
- **Part E: Calculation statement items** – contains labels from item 13 ‘Losses information’ on page 6, tax offset label item 20 ‘Landcare and water facility offset’ on page 7, and the ‘Calculation statement’ on page 8 of the company return.

❗ In order to meet privacy regulations, statistics for some items may not be included in these tables.

Table 8 Selected items, by broad industry and total income, 2009–10 income year

This table shows the number of companies classified under the different broad industry groupings based on the ANZSIC 2006 Australian Business Register codes, and the total income, taxable income and net tax of these companies. The companies’ total income, taxable income and net tax are also broken down by total income groupings.

Table 9 Other selected items (items not included in Table 4), by broad industry, 2009–10 income year

This table shows the number of records and amounts for items that are not included in company tax detailed Table 4 ('Selected items, by fine industry'). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC 2006 Australian Business Register codes.

❗ In order to meet privacy regulations, statistics for some items may not be included in this table.

Table 10 Selected financial and other information, by company size, for non-membership period returns, 2009–10 income year

This table details selected labels from item 8 'Financial and other information' on pages 5 and 6 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2009–10 income year.

Table 11 Petroleum resource rent tax statistics, 1999–2000 to 2010–11 financial years

This table details selected items reported in the petroleum resource rent tax returns for the 1999–2000 to 2010–11 financial years processed by 31 October of each year.

Table 12 Company tax return lodgment numbers and method by company size, 1989–90 to 2009–10 income years

This table details company tax return lodgment numbers and method (paper and electronic) by company size for the 1989–90 to 2009–10 income years. Electronic lodgment services first became available to companies in 1993–1994.

Table 13 Overview of the company tax system 2000–01 to 2009–10 income years

This detailed table provides an overview of tax rates that applied to various types of companies each year.

